

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF
NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office DEC 16 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed NOV 21 2003 under 70656

The applicant **Dayton Valley Investors, L.L.C. and Lyon County** hereby make application for permission to change the **Point of Diversion Manner and Place of Use of a portion** of water heretofore appropriated under **Claim 724** of that Certain Decree entitled, **United States of America, Plaintiff, vs. Alpine Land & Reservoir Company a Corporation, et al., Defendants; Civil No. D-183 B**

1. The source of water is **Carson River**
2. The amount of water to be changed **As Decreed 72.12 acres (180.3 acre-feet)**
3. The water to be used for **Municipal**
4. The water heretofore permitted for **As Decreed**
5. The water is to be diverted at the following point **NW¼ SW¼, Section 4, T.16N., R.22E., M.D.B.&M., or at a point from which the W¼ corner of said Section 4 bears N. 38° 04'10" W., a distance of 224.43 ft. Segment 7B. Refer to map under Application 70656.**
6. The existing permitted point of diversion is located within **As Decreed – Randall Ditch from the right bank of the Carson River in NE part, NW¼ NW¼ Section 34, T.16N., R.21E., M.D.B.&M., Refer to map filed under the Carson River Decree for existing point of Diversion. Segment 7A.**
7. Proposed place of use **See Attachment "A"**
8. Existing place of use **See Attachment "B"**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **As Decreed to As Decreed** of each year.
11. Description of proposed works **Infiltration well near the Carson River, pump, motor, meter and municipal distribution system.**
12. Estimated cost of works **\$500,000.00**
13. Estimated time required to construct works **Five (5) years**
14. Estimated time required to complete the application of water to beneficial use **Ten (10) years**

15. Remarks: This application is being filed in order to place the decreed water rights to beneficial use within the Dayton Utilities municipal system so that they may be dedicated in accordance with the terms of the original Development Agreement for the Dayton Valley Development, Total combined duty of Applications to change portions of Claims 723, 724 & 725 is not to exceed 569.975 acre-feet per annum.

By Gregory M. Bilyeu (Agent)
s/ Gregory M. Bilyeu
500 Damonte Ranch Parkway, Suite 1056
Reno, NV 89521

Compared sg/ cmf lt/

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion, manner of use and place of use of a portion of Claim No. 724, as heretofore granted under the Carson River Final Decree, No. 183, in the District Court of the United States, in and for the District of Nevada, is issued subject to the terms and conditions imposed in said decree and with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements kept of water placed to beneficial use.

The issuance of this permit abrogates the remaining 72.12 acre portion of Claim No. 724 being 180.3 acre-feet as decreed, which is the consumptive use portion of Claim No. 724 being changed.

This permit changes the point of diversion of water previously diverted under Claim No. 724 from Segment 7a of the Carson River to Segment 7b, thus the priority date of this permit will be its filing date, December 16, 2003, and regulated as decreed. In addition, the water under Permit 70688 shall not be diverted from the induction well when the river is being regulated by the Federal Water Master.

Water may only be diverted from this well as set forth in the Carson River Final Decree and as further regulated under the direction of the Federal Water Master.

The issuance of Permits 70687, 70688 & 70689 strips portions of the Carson River rights that may have other water rights from other sources supplemental to them, as further described under the terms of Permit 53285 et. al. The irrigation of lands stripped by these permits must cease upon the issuance of Permits 70687, 70688 & 70689.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer and Federal Water Master on a quarterly basis within 15 days after the end of each calendar quarter.

The total combined duty of water in the "Rolling A" Induction Well under Permits 70687, 70688, 70689 70656, 70657, 70658, 70659, 70660 and 70661 shall not exceed 1,725.43 acre-feet as decreed.

The amount of water available for subdivision approval will be based upon the amount authorized under the Conjunctive Use Plan by the State Engineer.

(CONTINUED ON PAGE 3)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed as decreed cubic feet per second but not to exceed 180.30 acre-feet as decreed.

Work must be prosecuted with reasonable diligence and be completed on or before:

April 15, 2007

Proof of completion of work shall be filed on or before:

May 15, 2007

Water must be placed to beneficial use on or before:

April 15, 2015

Proof of the application of water to beneficial use shall be filed on or before:

May 15, 2015

Map in support of proof of beneficial use shall be filed on or before:

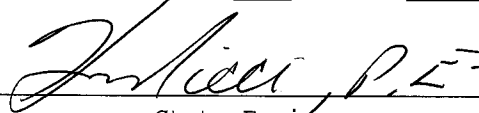
May 15, 2015

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 16th day of May, A.D. 2006



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

AMENDED ATTACHMENT "A"

7. Proposed Place of Use

T. 16 N., R. 21 E., M.D.B. & M.:

All of Section 1; SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2; All of Section 11; SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, portion of the W $\frac{1}{2}$ NE $\frac{1}{4}$, portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, portion of the NW $\frac{1}{4}$ SE $\frac{1}{4}$, portion of the E $\frac{1}{2}$ SE $\frac{1}{4}$, Section 12; Portion of the W $\frac{1}{2}$ NW $\frac{1}{4}$, portion of the NE $\frac{1}{4}$ NW $\frac{1}{4}$, portion of the N $\frac{1}{2}$ NE $\frac{1}{4}$, Section 13; E $\frac{1}{2}$, Section 14; SE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$, Section 23; N $\frac{1}{2}$ Section 24; Portion of the NW $\frac{1}{4}$, Section 26; SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$, portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 27; E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, Section 28; NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, Section 33; N $\frac{1}{2}$ NW $\frac{1}{4}$, Section 34.

T. 16 N., R. 22 E., M.D.B. & M.:

All of Section 3; N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 4; N $\frac{1}{2}$, Section 5; NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, portion of the S $\frac{1}{2}$ NE $\frac{1}{4}$, portion of the NW $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, portion of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, portion of the S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 6; W $\frac{1}{2}$ W $\frac{1}{2}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, portion of the NW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 9; NW $\frac{1}{4}$ Section 16; All of Section 17; S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, Section 18; All of Section 19.

T. 17 N., R. 21 E., M.D.B. & M.:

SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 36.

T. 17 N., R. 22 E., M.D.B. & M.:

S $\frac{1}{2}$ of Section 29; SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 30; portion of the NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, Section 31; N $\frac{1}{2}$ N $\frac{1}{2}$, portion of the S $\frac{1}{2}$ NE $\frac{1}{4}$, portion of the N $\frac{1}{2}$ SE $\frac{1}{4}$, portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 32; S $\frac{1}{2}$ S $\frac{1}{2}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 33; SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, portion of the SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, Section 34.

In addition to the above-described place of use, it is the intent of these applications to provide water service to the entire Lyon County/Dayton Utilities service area as determined by the Lyon County Public Works Director. If in the future, some other entity is determined to have that authority, the place of use of this permit shall be pursuant to that authority's determination of the service area.

See Permit 68155 for the proposed place of use.

ATTACHMENT "B"

8. Existing Place of Use – Claim 724 (112 acres)

10.0 acres in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 18, T.16N., R.22E., M.D.B. & M.

60.0 acres in the S $\frac{1}{2}$ SE $\frac{1}{4}$, Section 18, T.16N., R.22E., M.D.B. & M.

42.0 acres in the N $\frac{1}{2}$ NE $\frac{1}{4}$, Section 19, T.16N., R.22E., M.D.B. & M.

~~18.0 acres in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 18, T.16N., R.22E., M.D.B. & M.~~ *Snc*

A total of 72.12 acres, representing the balance of Claim 724 not previously changed by ~~Permit 53290 & 55417~~, is being removed from irrigation under this change application as delineated below: *Snc*

35.92 acres in the SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 18, T.16N., R.22E., M.D.B. & M.

36.2 acres in the NW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 19, T.16N., R.22E., M.D.B. & M.

The place of use previously stripped under Claim 724 is illustrated on the map filed in support of Permit 53285. Please utilize said map along with the map under the Carson River Decree for the existing place of use.